


*file Controller*

MEMORANDUM FOR: PW, BP, HR (hold for EWP)  
*cy hines*  
*held*

This concerns the probable budgetary cuts flowing from recent developments in Southeast Asia.

I've sent a copy to Gene for action regarding the request in Para 3 that we review our programs relating to Southeast Asia. *Done 5/29/75*



29 May 75  
(DATE)

FORM NO. 101 REPLACES FORM 10-101  
1 AUG 54 WHICH MAY BE USED.

(47)

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COMPT 75-0643

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23 MAY 1975



MEMORANDUM FOR: Deputy Director for Administration  
Deputy Director for Intelligence✓  
Deputy Director for Operations  
Deputy Director for Science & Technology

SUBJECT: FY 1976 Operating Plan and FY 1977 Program

1. Withdrawal from Southeast Asia will have a significant impact on our resource planning for 1976, the Transition Quarter and 1977. Congressional staffs have suggested we will receive up to [redacted] 25X1 less than our 1976 request [redacted] based primarily on the South- 25X1 east Asia withdrawal but also taking into account current attitudes toward covert action activities. A similar percentage reduction [redacted] in 25X1 our Transition Quarter request is likely. We do not expect Congress to act on our appropriation, however, until sometime in the fall after our OMB budget for 1977 has been prepared. Thus, we will be faced in July with the difficult task of developing operating plans for 1976 and the Transition Quarter with the threat of a substantial congressional reduction but with no firm information on the size of that reduction. This in turn complicates the development of our FY 1977 OMB submission which must bear a realistic relationship to the FY 1976 base.

2. After considering the options available, we conclude that the most reasonable course of action is to develop recommendations for the 1976 and Transition Quarter operating plans based upon a realistic assessment of the impact congressional action will have upon our resources. Accordingly, as discussed with you at our Comptroller's meeting of May 20, we plan to recommend to the Director in July a total 1976 program of about 25X1 [redacted] and a [redacted] program for the Transition Quarter.

3. To permit you to develop your best estimates of the 1976 and Transition Quarter programs you wish to pursue, we will not now reduce, in anticipation of congressional action, the control numbers issued in our memorandum of 24 April 1975 totaling [redacted] for 1976 and 25X1 the Transition Quarter respectively. Clearly, however, the impact of an anticipated [redacted] reduction will be felt most directly by the DDO and, 25X1

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though considerably less, by the DDA. Bearing in mind that the congressional reductions discussed to date have been directly related to Southeast Asia and covert action, we anticipate that about [ ] of the [ ] reduction will necessarily be borne by the DDO in FY 1976 and [ ] in the Transition Quarter. Other directorates should review all programs, particularly those related to Southeast Asia, for possible further reductions, [ ]

25X1

25X1

K1

Despite your most conscientious efforts we may have to recommend further reductions in the 1976 and Transition Quarter programs you submit in order to approach the [ ] anticipated levels.

25X1

4. Financial Guidance letters issued after the Director's July review, in addition to advising you of your control numbers, will include instructions relating to the incurring of obligations during 1976 and any restrictive measures which may be considered necessary in light of the best information available at the time about expected congressional action on our 1976 request. When congressional action has been completed, we will propose further recommendations for our joint consideration.

[ ]  
Acting Comptroller

25X1

cc: AO/DCI

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